

84TH CONGRESS
1ST SESSION

H. R. 7806

IN THE HOUSE OF REPRESENTATIVES

AUGUST 1, 1955

Mr. PRICE (by request) introduced the following bill; which was referred to the Committee on Armed Services

A BILL

To provide health care for dependents of members of the Armed Forces of the United States, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Armed Forces De-
4 pendents Health Care Act of 1955".

DECLARATION OF PURPOSE

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6 SEC. 2. The Congress finds that in establishing and
7 maintaining the morale of the Armed Forces, the avail-
8 ability to their families of hospital and medical care of high
9 quality is an important factor. Such care should be made
10 available to all on as nearly equal terms as possible, and
11 should not depend upon the accidental accessibility of either

1 military or civilian health facilities or personnel. To the
2 extent consistent with this objective, military health facil-
3 ities and personnel should be relieved of the burden of pro-
4 viding care to dependents, in order to devote themselves
5 to their primary function of providing health care to members
6 of the Armed Forces and in order to reduce to the minimum
7 the number of physicians and other health personnel required
8 to serve in the Armed Forces and to free more of such
9 personnel for civilian practice. The purpose of this Act
10 is to provide a program of nonprofit health insurance for
11 such dependents in this country and thus to assure them
12 of care on the same basis on which it is generally available
13 to members of the public; and to provide equivalent health
14 protection to dependents outside the country.

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DEFINITIONS

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SEC. 3. As used in this Act—

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(a) The term "member of the Armed Forces" means—

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(1) a person, appointed or enlisted in, or inducted,

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called, or conscripted into the Army, Navy, Air Force,

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Marine Corps, or the Coast Guard when operating as

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part of the Navy, or a member of a reserve component

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who has entered on extended active duty in excess of

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ninety days, but not including a person on duty for

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training purposes only; and

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(2) a member or former member of the Army,

1 Navy, Air Force, or Marine Corps, who is or has been
2 awarded retired, retirement, or retainer pay or equiva-
3 lent pay as a result of service in the Army, Navy, Air
4 Force, or Marine Corps, other than a person entitled
5 to receive retired or retirement pay pursuant to title III
6 of the Army and Air Force Vitalization and Retirement
7 Equalization Act of 1948.

8 (b) The term "dependent" (except as used in section
9 10 (d)) means—

10 (1) in the case of any male member—

11 (A) his wife;

12 (B) his unmarried dependent children, adopted
13 children, or stepchildren under twenty-one years of
14 age, or such unmarried children, adopted children,
15 or stepchildren over twenty-one years of age who
16 are incapable of self-support because of being men-
17 tally or physically incapacitated and who are in
18 fact dependent on him for over half of their support;
19 and

20 (C) his parents and parents-in-law if in fact
21 dependent on him for over half of their support; and

22 (2) in the case of any female member—

23 (A) her husband, if in fact dependent on her
24 for over half of his support;

25 (B) her unmarried children, adopted children,

1 or stepchildren under twenty-one years of age if they
2 are in fact dependent on her for over half of their
3 support, or such unmarried children, adopted chil-
4 dren, or stepchildren over twenty-one years of age
5 who are incapable of self-support because of being
6 mentally or physically incapacitated and who are
7 in fact dependent on her for over half of their
8 support; and

9 (C) her parents and parents-in-law if in fact
10 dependent on her for over half of their support; and

11 (3) in the case of a deceased male member who
12 at the time of his death was a member of the Armed
13 Forces (including a deceased member of the Coast
14 Guard who at the time of his death was on active duty
15 therein, if at that time the Coast Guard was operating
16 as a part of the Navy) —

17 (A) his widow, if she has not remarried; and

18 (B) unless his widow has remarried, his un-
19 married children, adopted children, or stepchildren
20 under twenty-one years of age, if at the time of his
21 death they were in fact dependent on him for over
22 half of their support, or such unmarried children,
23 adopted children, or stepchildren over twenty-one
24 years of age who are incapable of self-support be-
25 cause of being mentally or physically incapacitated

1 and who, at the time of his death, were in fact
2 dependent on him for over half of their support.

3 (c) The term "nonprofit health insurance plan" means
4 a plan under which a nonprofit corporation or organization
5 (no part of the net earnings of which inures, or may law-
6 fully inure, to any private shareholder or individual) under-
7 takes, on a prepayment basis and by means of individual or
8 group contracts, to furnish to individuals specified hospital
9 and medical care, or to meet the full cost (or in the case
10 of diagnostic service, a part of the cost) of furnishing them
11 such specified care.

12 (d) The term "Secretary" means the Secretary of
13 Defense.

14 (e) The term "Council" means the Council on Health
15 Care for Armed Forces Dependents.

16 (f) The term "regulations" means regulations pre-
17 scribed by the Secretary with the approval of the Council.

18 (g) The term "United States", when used in a geo-
19 graphical sense, means the forty-eight States and the Dis-
20 trict of Columbia, Alaska, Hawaii, Puerto Rico, and the
21 Virgin Islands.

22 CARE TO BE MADE AVAILABLE

23 SEC. 4. (a) The Secretary shall make hospital and
24 medical care available to dependents of members of the
25 Armed Forces to the extent specified in subsection (b) of

1 this section, but subject to the limitations specified in sub-
2 section (c), and subject to regulations further defining such
3 care and such limitations.

4 (b) The hospital and medical care to be made avail-
5 able under subsection (a) shall be of the following kinds—

6 (1) surgical, obstetrical, and medical services fur-
7 nished to inpatients in a hospital, and hospital services
8 incident thereto, not to exceed ninety days for any
9 continuous period of hospital confinement, and not to
10 exceed ninety days in the aggregate for any periods of
11 hospital confinement separated by less than ninety
12 days;

13 (2) prenatal and postnatal care of mothers;

14 (3) benefits for diagnostic services furnished to
15 ambulatory patients, to the extent and under the con-
16 ditions specified in regulations; and

17 (4) immunization services.

18 (c) The hospital and medical care to be made avail-
19 able under subsection (a) shall not include—

20 (1) care for nervous or mental disease or for
21 tuberculosis after diagnosis thereof, or care in a nervous
22 or mental disease or tuberculosis hospital;

23 (2) diagnostic services otherwise than as specified
24 in subsection (b) (3), or as an incident to inpatient
25 care in a hospital;

- 1 (3) cosmetic surgery;
- 2 (4) ambulance services; or
- 3 (5) dental care, except care as a necessary adjunct
- 4 to medical or surgical treatment.

5 (d) The hospital and medical care to be made avail-
6 able under this section shall be made available without
7 charge therefor, either to the member of the Armed Forces
8 or to his dependent receiving such care, except that deduc-
9 tions from subsistence allowances may be made on account
10 of subsistence received under this Act, from any source, in
11 connection with hospital and medical care.

12 METHOD OF MAKING CARE AVAILABLE

13 SEC. 5. (a) Within the United States, the hospital and
14 medical care specified in section 4 shall so far as possible
15 be made available by means of contracts for the coverage
16 of dependents of members of the Armed Forces under non-
17 profit health insurance plans.

18 (b) No other method of providing any kind of hos-
19 pital and medical care to be made available under section
20 4, in any portion of the United States, shall be utilized
21 unless the Secretary, with the approval of the Council, de-
22 termines (and publishes in the Federal Register his deter-
23 mination and the reasons therefor) that for such geo-
24 graphical area and for such kind of care it is impracticable
25 to negotiate a satisfactory contract, on reasonable terms,

1 for the coverage of all dependents of members of the Armed
2 Forces under nonprofit voluntary health insurance plans.
3 In making and approving such determinations, the Secre-
4 tary and the Council shall take into account, not only the
5 relative cost of the several methods of providing care, but
6 also the need, without sacrifice of the quality of care, to
7 minimize the demands upon the facilities and personnel of
8 the Department of Defense for the care of dependents.

9 (c) If the Secretary has made a determination referred
10 to in subsection (b), he is authorized, in making the hospital
11 and medical care specified in section 4 available to depend-
12 ents of members of the Armed Forces within the area to
13 which such determination is applicable, (1) to enter into
14 contracts with corporations or organizations operating non-
15 profit health insurance plans, under which contracts such
16 corporations or organizations undertake to make such care
17 available and the Secretary undertakes to pay the cost of
18 the care so provided and the reasonable administrative costs
19 of such corporations or organizations; or (2) to enter into
20 contracts with individuals and organizations (including Fed-
21 eral, State, or local public agencies) qualified to provide such
22 care; or (3) to provide such care through the facilities and
23 personnel of the Department of Defense (A) if the Secretary
24 is unable, on satisfactory and reasonable terms, to make
25 such care (or a particular kind of care) available by the

1 means specified in clause (1) or clause (2) of this sub-
2 section, or (B) in the cases specified in section 6 (b).

3 (d) The Secretary is authorized, in making the hospital
4 and medical care specified in section 4 available to depend-
5 ents of members of the Armed Forces outside the United
6 States, (1) to provide such care through the facilities and
7 personnel of the Department of Defense, or (2) to enter into
8 contracts with individuals and organizations (including
9 public agencies) qualified to provide such care.

10 (e) Whenever the Secretary is authorized under sub-
11 section (c) or subsection (d) to provide hospital and
12 medical care through the facilities and personnel of the
13 Department of Defense, he may enter into an agreement
14 with the head of any other department or agency of the
15 Federal Government for the provision of such care through
16 the facilities and personnel of such other department or
17 agency.

18 (f) Each contract under subsection (a) shall provide
19 with respect to each member of the Armed Forces who at
20 the time of his preparation therefrom has one or more
21 dependents, (1) that upon his separation from the Armed
22 Forces, and without cost to him, (A) provisions for ma-
23 ternity care (including hospital care of the new-born infant)
24 shall continue with respect to a pregnancy which had begun

1 such separation; and (B) the other hospital and medical
2 care provided by the contract shall continue until the
3 end of the third calendar month after the month in which
4 separation occurred, and during that period shall be ex-
5 tended (except for service-connected illness or disability)
6 to the former member of the Armed Forces; and (2)
7 that after separation a former member of the Armed Forces
8 working (or residing, if the plan so provides) in the area
9 covered by the contract, shall be entitled, until the end
10 of the third calendar month after the month in which he
11 was separated from the Armed Forces, to become a sub-
12 scriber to such health protection contract, covering himself
13 and at least one dependent, as is generally available to
14 persons accepted as nongroup subscribers in the area.

15 (g) Any contract made under this section may be made
16 without regard to section 3709 of the Revised Statutes
17 (41 U. S. C. 5), and may be made for such term, not
18 exceeding five years, as may be agreed upon by the parties.

19 Any contract under subsection (a) shall provide for pay-
20 ment of premiums in advance, and any contract under sub-
21 section (c) (1) may provide for payments in advance.
22 Any agreement with another department or agency under
23 subsection (e) may provide for payments in advance or
24 for the establishment of a working fund or funds.

25 (h) Any contract made under this section may be

1 terminated by the Secretary if, after notice and opportunity
2 for hearing, he finds that there has been a substantial failure
3 to carry it out in accordance with its terms. If a contract
4 is so terminated the Secretary is authorized, for a period
5 of not to exceed six months following such termination, to
6 utilize for the provision of the hospital and medical care cov-
7 ered by such contract any of the methods referred to in this
8 section, without regard to the limitations of subsection (b)
9 or subsection (c).

10 USE OF FACILITIES AND PERSONNEL OF UNITED STATES

11 SEC. 6. (a) No health services shall be provided under
12 this Act to dependents of members of the Armed Forces
13 through facilities or personnel of the Department of Defense
14 except as such facilities or personnel are available without
15 interference with their primary function of providing health
16 services to members of the Armed Forces.

17 (b) Subject to the provisions of subsection (a), and
18 regardless of whether hospital and medical care is provided
19 them through nonprofit health insurance or otherwise, health
20 services to dependents of members of the Armed Forces
21 may be provided in the United States through facilities and
22 personnel of the Department of Defense in the following cases
23 and (except as provided in section 5 (c) (3) (A) and
24 section 5 (h)) only in such cases—

25 (1) in case of emergency; or

1 (2) upon a finding by the Secretary, with the ap-
2 proval of the Council, that health services (or a partic-
3 ular kind of health services) are not otherwise reason-
4 ably available to such dependents, either because of
5 remoteness of their place of residence from private health
6 facilities and personnel, or because of congestion of civil-
7 ian health facilities or inadequate number of civilian
8 health personnel within the area in which they may
9 reasonably be expected to obtain health services.

10 (c) Each contract for the coverage of dependents of
11 members of the Armed Forces under a nonprofit health in-
12 surance plan shall provide for credits to the United States
13 for hospital and medical care, specified in section 4, provided
14 to such dependents through facilities and personnel of the
15 United States in accordance with subsection (b) of this sec-
16 tion. Such credits shall be applied against payments due
17 from the United States under such contracts. The amount
18 of such credits shall be specified in the contract, and shall be
19 comparable, as nearly as may be, to the payments to be made
20 under the plan to civilian health facilities and personnel in
21 the area for like hospital and medical care.

22 (d) Subject to the provisions of subsection (a), the
23 Secretary is authorized outside the United States, and within
24 the United States in the cases specified in subsection (b), to
25 provide dependents of members of the Armed Forces health

1 services other than those specified in section 4; and in any
2 case in which he is authorized to provide hospitalization for
3 such dependents in facilities of the United States, he is
4 authorized to provide accommodations superior to the accom-
5 modations provided at Government expense under section 4.
6 A charge shall be made to a member of the Armed Forces
7 for any such additional health services or any such superior
8 accommodations provided to his dependents. The amount
9 of such charges shall be fixed by regulations, and shall be
10 comparable, as nearly as may be, to the charges made by
11 civilian health facilities and personnel in the area for like
12 services or accommodations. Any moneys received by any
13 department or agency of the United States under this sub-
14 section shall be deposited to the credit of the appropriation
15 from which was paid the cost of providing the care, services,
16 or accommodations.

17 COUNCIL ON HEALTH CARE FOR ARMED FORCES

18 DEPENDENTS; ADMINISTRATION

19 SEC. 7. (a) In administering this Act, the Secretary
20 shall consult with a Council on Health Care for Armed
21 Forces Dependents, consisting of the Assistant Secretary
22 of Defense (Health and Medical), who shall act as Chair-
23 man ex officio, and eight members appointed by the Secre-
24 tary. The appointed members shall include persons ex-
25 perience in the provision of hospital and medical care to

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1 women and children and persons experienced in the admin-
2 istration of health insurance plans; not less than two of them
3 shall be doctors of medicine, and not less than two shall
4 be persons experienced in hospital administration. Each
5 appointed member shall hold office for a term of four years,
6 except that any member appointed to fill a vacancy occurring
7 prior to the expiration of the term for which his predecessor
8 was appointed shall be appointed for the remainder of such
9 term, and the terms of office of the members first taking
10 office shall expire, as designated by the Secretary at the
11 time of appointment, two at the end of the first year, two
12 at the end of the second year, two at the end of the third
13 year, and two at the end of the fourth year after the date
14 of appointment. The Council is authorized to appoint such
15 special advisory and technical committees as may be useful
16 in carrying out its functions. Appointed Council members
17 and members of advisory or technical committees, while
18 serving on business of the Council, shall receive compensa-
19 tion at rates fixed by the Secretary, but not exceeding \$50
20 per day, and shall also be entitled to receive an allowance
21 for actual and necessary travel and subsistence expenses
22 while so serving away from their places of residence. The
23 Council shall meet as frequently as the chairman deems nec-
24 essary, but not less frequently than once a month. Upon

1 request by three or more members it shall be the duty of the
2 chairman to call a meeting of the Council.

3 (b) The Secretary is authorized to make such regula-
4 tions and perform such other functions as he finds necessary
5 to carry out the provisions of this Act. Any such regulations
6 shall be subject to the approval of the Council.

7 (c) The Secretary is authorized to delegate any of his
8 functions under this Act to any officer or employee of the
9 Department of Defense, the Department of the Army, the
10 Department of the Navy, or the Department of the Air
11 Force; except that he may not delegate the making of regula-
12 tions, and that any other action which requires the approval
13 of the Council he may delegate only to the Under Secretary
14 of Defense or to the Assistant Secretary of Defense (Health
15 and Medical).

16 STUDIES AND RECOMMENDATIONS

17 SEC. 8. It shall be the duty of the Secretary and of the
18 Council to study the operation of this Act with respect to its
19 effectiveness in fulfilling the purposes stated in section 2, and
20 with respect to the practicability of broadening the scope
21 of health services to be provided under it by means of non-
22 profit health insurance plans. The Secretary shall from time
23 to time transmit to the Congress his recommendations for
24 amendment of this Act, and with each such recommendation
25 shall transmit a statement of the views of the Council with

1 respect thereto. Whenever he finds that it is practicable to
2 provide by means of nonprofit health insurance plans,
3 throughout or substantially throughout the United States,
4 additional health services needed by dependents of members
5 of the Armed Forces, he shall transmit to the Congress his
6 recommendation with respect thereto, his estimate of the cost
7 of providing such additional services, and a statement of the
8 views of the Council with respect to his recommendation.

9 APPROPRIATIONS AUTHORIZED

10 SEC. 9. There are hereby authorized to be appropriated
11 such sums as may be necessary to carry out this Act.

12 REPEAL AND AMENDMENT OF OTHER ACTS

13 SEC. 10. (a) So much of the Act of July 5, 1884 (ch.
14 217, 23 Stat. 107, 10 U. S. C. 96), as is contained in the
15 proviso under the heading "Medical Department" is hereby
16 repealed.

17 (b) The Act of May 10, 1943 (ch. 95, 57 Stat. 80,
18 24 U. S. C. 32-36), is hereby repealed, except section 4
19 thereof, and except sections 2 and 5 as applied to section 4
20 thereof.

21 (c) The second sentence of section 326 (b) of the
22 Public Health Service Act (42 U. S. C. 253) is amended
23 by inserting a period after the word "President" and by
24 striking out the remainder of such sentence.

1 (d) Except as provided in this Act, no health service
2 shall be provided by the United States or any of its de-
3 partments or agencies to any person by reason of his being
4 a dependent of a member of the Armed Forces.

5 EFFECTIVE DATE

6 SEC. 11. This Act shall become effective on the first
7 day of the month following the month in which it is
8 enacted.

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